

Eureka Broadband Corporation
successor-in-interest to
Gillette Global Network, Inc.

Form 499-A

Year 2000

Reconciliation of Gross Sales to Federal Tax Return

1999 Gross Sales	6,419,542	Per Form 1120 Provided as Exhibit A
Adjustment for Accrued Revenue	(422,480)	
Gross Billed Revenue	5,997,062	Per Form 499A Amended Filing in May-2004

Reconciliation to Amended Form 499-A

	Total	% Interstate*	% International*	\$ Interstate	\$ International
USF Billed	59,228	80.0%	20.0%	47,382	11,846
Local Services	1,851,375	0.0%	0.0%	-	-
Long Distance Services	492,613	60.0%	20.0%	295,568	98,523
Internet Services	3,593,846	0.0%	0.0%	-	-
	5,997,062			342,950	110,368

**Allocation Based on 2001 - 2003 Billings (provided as Exhibit B)*

Original Form 499-A Filed Sept-2000

	Total	% Interstate*	% International*	\$ Interstate	\$ International
USF Billed	58,500	94.9%	0.0%	55,500	-
Local Services	280,000	0.0%	0.0%	-	-
Subscriber Line Charge	6,000	100.0%	0.0%	6,000	-
Local Private Lines	1,800	0.0%	0.0%	-	-
Long Distance Services	4,989,000	79.0%	0.0%	3,941,000	-
Long Distance Private Line Services	34,500	100.0%	0.0%	34,500	-
Other Long Distance Services	100,000	88.5%	2.8%	88,500	2,800
Internet Services	446,000	0.0%	0.0%	-	-
	5,915,800			4,125,500	2,800

EXHIBIT A

Form **1120** Department of the Treasury Internal Revenue Service **U.S. Corporation Income Tax Return 1999**

► Instructions are separate. See instructions for Paperwork Reduction Act Notice.

IRS use only — Do not write or staple in this space.

For calendar year 1999 or tax year beginning

, 1999, ending

OMB No. 1545-0123

A Check if a: 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding company (attach Schedule PH) <input type="checkbox"/> 3 Personal service corp (as defined in Temp Regs Section 1.441-4T — see instructions) <input type="checkbox"/>		Use IRS label. Otherwise, please print or type. Name GILLETTE GLOBAL NETWORK INC Number, Street, and Room or Suite Number (If a P.O. box, see instructions.) 39 BROADWAY 19TH FLOOR City or Town NEW YORK State ZIP Code NY 10006	B Employer Identification Number 13-3793720 C Date Incorporated 10/27/94 D Total Assets (see instructions)
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E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change of address \$ 5,244,317.

INCOME	1 a	Gross receipts or sales	6,419,542.	b	Less returns & allowances		c	Balance	1 c	6,419,542.
	2	Cost of goods sold (Schedule A, line 8)					2	4,338,358.		
	3	Gross profit. Subtract line 2 from line 1c		3	2,081,184.					
	4	Dividends (Schedule C, line 19)		4						
	5	Interest		5	8,812.					
	6	Gross rents		6						
	7	Gross royalties		7						
	8	Capital gain net income (attach Schedule D (Form 1120))		8						
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)		9						
	10	Other income (see instructions — attach schedule)		10						
	11	Total income. Add lines 3 through 10		11	2,089,996.					
DEDUCTIONS SEE INSTRUCTIONS	12	Compensation of officers (Schedule E, line 4)		12	269,230.					
	13	Salaries and wages (less employment credits)		13	1,517,872.					
	14	Repairs and maintenance		14	13,698.					
	15	Bad debts		15						
	16	Rents		16	141,428.					
	17	Taxes and licenses		17	149,432.					
	18	Interest		18	29,620.					
	19	Charitable contributions (see instructions for 10% limitation)		19						
	20	Depreciation (attach Form 4562)	20	42,353.						
	21	Less depreciation claimed on Schedule A and elsewhere on return	21 a		21 b	42,353.				
	22	Depletion		22						
	23	Advertising		23	80,724.					
	24	Pension, profit-sharing, etc, plans		24	46,366.					
TAX AND PAYMENTS	25	Employee benefit programs		25						
	26	Other deductions (attach schedule) See Other Deductions Statement		26	1,319,063.					
	27	Total deductions. Add lines 12 through 26		27	3,609,786.					
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28	-1,519,790.					
	29	Less: a Net operating loss (NOL) deduction (see instructions)	29 a		29 c					
		b Special deductions (Schedule C, line 20)	29 b							
	30	Taxable income. Subtract line 29c from line 28		30	-1,519,790.					
	31	Total tax (Schedule J, line 12)		31						
	32	Payments: a 1998 overpayment credited to 1999	32 a	28.						
		b 1999 estimated tax payments	32 b							
	c Less 1999 refund applied for on Form 4466	32 c		d Bal	32 d	28.				
	e Tax deposited with Form 7004		32 e							
	f Credit for tax paid on undistributed capital gains (attach Form 2439)		32 f							
	g Credit for federal tax on fuels (attach Form 4136). See instructions		32 g		32 h	28.				
33	Estimated tax penalty (see instructions). Check if Form 2220 is attached		33							
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed		34							
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		35	28.						
36	Enter amount of line 35 you want: Credited to 2000 estimated tax		36	28.						

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of Officer _____ Date _____ Title _____

Preparer's Signature _____ Date _____ Check if self-employed ☒ Preparer's SSN or PTIN 059-60-7790

Paid Preparer's Use Only

Firm's Name (or yours if self-employed) and Address NEUSCHATZ & NEUSCHATZ, LLP
20-24 FAIR LAWN AVENUE
FAIR LAWN NJ
EIN 22-3393330
ZIP Code 07410

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional Section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) See Other Costs Statement	5	4,338,358.
6	Total. Add lines 1 through 5	6	4,338,358.
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1	8	4,338,358.

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations Section 1.471-3
- (ii) ☐ Lower of cost or market as described in Regulations Section 1.471-4
- (iii) ☐ Other (specify method used and attach explanation) _____

b Check if there was a writedown of subnormal goods as described in Regulations Section 1.471-2(c) ☐c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** ☐e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? ☐ Yes ☐ Nof Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation ☐ Yes ☐ No**Schedule C Dividends and Special Deductions** (see instructions)

	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (Section 246A)			
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (Section 245(b))		100	
9 Total. Add lines 1 through 8. See instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (Sec 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% ded (Section 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up (Section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (Section 246(d))			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1			

Schedule E Compensation of Officers (see instructions for line 12, page 1)**Note:** Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
	JOSEPH GILLETTE	191-60-5409	100.0%	%	%	151,538.
	RAUL MARTYNEK	085-64-4093	100.0%	%	%	117,692.
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					269,230.
3	Compensation of officers claimed on Schedule A and elsewhere on return					
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1					269,230.

Schedule J Tax Computation (see instructions)

1 Check if the corporation is a member of a controlled group (see Sections 1561 and 1563) <input type="checkbox"/>		
Important: Members of a controlled group, see instructions.		
2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, & \$9,925,000 taxable income brackets (in that order):		
(1) \$	(2) \$	(3) \$
b Enter the corporation's share of:		
(1) Additional 5% tax (not more than \$11,750)	\$	
(2) Additional 3% tax (not more than \$100,000)	\$	
3 Income tax. Check if a qualified personal service corporation under Section 448(d)(2) (see instructions) <input type="checkbox"/>		3
4a Foreign tax credit (attach Form 1118)	4 a	
b Possessions tax credit (attach Form 5735)	4 b	
c Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)	4 c	
d General business credit. Enter here and check which forms are attached:		
<input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826		
<input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847 <input type="checkbox"/> 8861	4 d	
e Credit for prior year minimum tax (attach Form 8827)	4 e	
5 Total credits. Add lines 4a through 4e		5
6 Subtract line 5 from line 3		6
7 Personal holding company tax (attach Schedule PH (Form 1120))		7
8 Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611		8
9 Alternative minimum tax (attach Form 4626)		9
10 Add lines 6 through 9		10
11 Qualified zone academy bond credit (attach Form 8860)		11
12 Total tax. Subtract line 11 from line 10. Enter here and on line 31, page 1		12

Schedule K Other Information (see instructions)

1 Check method of accounting: a <input type="checkbox"/> Cash	Yes	No	7 Was the corporation a U.S. shareholder of any controlled foreign corporation? (See Sections 951 and 957.)	Yes	No
b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶			If 'Yes,' attach Form 5471 for each such corporation.		X
2 See the instructions and enter the:			Enter no. of Forms 5471 attached ▶		
a Business activity code no. ▶			8 At any time during the 1999 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country?		X
b Business activity ▶ TELEPHONE DIALTONE			If 'Yes,' the corporation may have to file Form TD F 90-22.1.		
c Product or service ▶ RESELLER SERVICES			If 'Yes,' enter name of foreign country ▶		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see Section 267(c).)		X	9 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the corporation may have to file Form 3520		X
If 'Yes,' attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			10 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation?		X
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		X	If 'Yes,'		
If 'Yes,' enter name and EIN of the parent corporation			a Enter percentage owned ▶		
5 At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see Section 267(c).)		X	b Enter owner's country ▶		
If 'Yes,' attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.)			c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ▶		
Enter % owned ▶ See Ques 5 Stmt			11 Check this box if the corporation issued publicly offered debt instruments with original issue discount		<input type="checkbox"/>
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See Sections 301 and 316.)		X	If checked, the corporation may have to file Form 8281.		
If 'Yes,' file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.			12 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$		
			13 If there were 75 or fewer shareholders at the end of the tax year, enter the number ▶		
			14 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here		<input type="checkbox"/>
			15 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.)		
			▶ \$		

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		178,972.		2,687,734.
2a	Trade notes and accounts receivable	1,467,028.		1,626,479.	
b	Less allowance for bad debts		1,467,028.	179,000.	1,447,479.
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule) .. Ln. 6. Stmt				43,458.
7	Loans to shareholders		58,912.		
8	Mortgage and real estate loans				
9	Other investments (attach schedule)				
10a	Buildings and other depreciable assets	68,799.		866,403.	
b	Less accumulated depreciation	49,302.	19,497.	91,655.	774,748.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	20,323.		20,323.	
b	Less accumulated amortization	11,365.	8,958.	15,395.	4,928.
14	Other assets (attach schedule) .. Ln. 14. Stmt		108,049.		285,970.
15	Total assets		1,841,416.		5,244,317.
Liabilities and Shareholders' Equity					
16	Accounts payable		1,586,268.		2,255,018.
17	Mortgages, notes, bonds payable in less than 1 year				180,265.
18	Other current liabilities (attach sch) .. Ln. 18. Stmt		157,750.		965,712.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more		60,008.		353,990.
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock			3,290,000.	
	b Common stock	210.	210.	25,210.	3,315,210.
23	Additional paid-in capital		40,206.		109,164.
24	Retained earnings — Approp				
25	Retained earnings — Unappropriated		-3,026.		-1,935,042.
26	Adjustments to shareholders' equity				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		1,841,416.		5,244,317.

Note: The corporation is not required to complete Schedules M-1 and M-2 if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (see instructions)				
1	Net income (loss) per books	-1,932,016.	7	Income recorded on books this year not included on this return (itemize):
2	Federal income tax	3,000.		Tax-exempt interest \$
3	Excess of capital losses over capital gains	167,661.		
4	Income subject to tax not recorded on books this year (itemize):			
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):
a	Depreciation	\$		a Depreciation .. \$
b	Contributions carryover .. \$	7,437.		b Contribn carryover \$
c	Travel & entertainment .. \$	54,586.		
	See Ln 5 Stmt	179,542.		
		241,565.	9	Add lines 7 and 8
6	Add lines 1 through 5	-1,519,790.	10	Income (line 28, page 1) — line 6 less line 9
				-1,519,790.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)				
1	Balance at beginning of year	-3,026.	5	Distributions
2	Net income (loss) per books	-1,932,016.		a Cash
3	Other increases (itemize):			b Stock
				c Property
			6	Other decreases (itemize):
			7	Add lines 5 and 6
4	Add lines 1, 2, and 3	-1,935,042.	8	Balance at end of year (line 4 less line 7)
				-1,935,042.

Schedule D
(Form 1120)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► Attach to Form 1120, 1120-A, 1120-F, 1120-FSC, 1120-H,
1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT,
1120-RIC, 1120-SF, 990-C, or certain Forms 990-T.

OMB No. 1545-0123

1999

Name **GILLETTE GLOBAL NETWORK INC** Employer Identification Number **13-3793720**

Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less

(a) Description of property (Example, 100 shares of Z Co)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1					
2	Short-term capital gain from installment sales from Form 6252, line 26 or 37				2
3	Short-term gain or (loss) from like-kind exchanges from Form 8824				3
4	Unused capital loss carryover (attach computation)				4
5	Net short-term capital gain or (loss). Combine lines 1 through 4				5

Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year

6 STOCK LIII	Various	12/31/99	0.	167,661.	-167,661.
7	Enter gain from Form 4797, column (g), line 7 or 9				7
8	Long-term capital gain from installment sales from Form 6252, line 26 or 37				8
9	Long-term gain or (loss) from like-kind exchanges from Form 8824				9
10	Net long-term capital gain or (loss). Combine lines 6 through 9				10 -167,661.

Part III Summary of Parts I and II

11	Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 10)	11
12	Net capital gain. Enter excess of net long-term capital gain (line 10) over net short-term capital loss (line 5)	12
13	Add lines 11 and 12. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	13
Note: If losses exceed gains, see Capital losses in the instructions.		

BAA For Paperwork Reduction Act Notice, see the instructions for Forms 1120 and 1120-A.

Schedule **D** (Form 1120) 1999

Depreciation and Amortization
(Including Information on Listed Property)▶ See instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1999**67**

Name(s) Shown on Return

GILLETTE GLOBAL NETWORK INC

Business or Activity to Which This Form Relates

Form 1120 Line 20

Identifying Number

13-3793720

Part I Election to Expense Certain Tangible Property (Section 179)

(Note: If you have any 'listed property,' complete Part V before you complete Part I.)

1	Maximum dollar limitation. If an enterprise zone business, see instructions	1	\$19,000.
2	Total cost of Section 179 property placed in service. See instructions	2	
3	Threshold cost of Section 179 property before reduction in limitation	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter amount from line 27	7	
8	Total elected cost of Section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1998. See instructions	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2000. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation for Assets Placed in Service Only During Your 1999 Tax Year
(Do Not Include Listed Property)**Section A — General Asset Account Election**

- 14 If you are making the election under Section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions
- ☐

Section B — General Depreciation System (GDS) (See instructions)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C — Alternative Depreciation System (ADS) (See instructions)

16a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property) (See instructions)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 1999	17	7,774.
18	Property subject to Section 168(f)(1) election	18	34,579.
19	ACRS and other depreciation	19	

Part IV Summary (See instructions)

20	Listed property. Enter amount from line 26	20	
21	Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	21	42,353.
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to Section 263A costs	22	

Part V Listed Property – Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed?					Yes	No	23b If 'Yes,' is the evidence written?					Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected Section 179 cost					
24 Property used more than 50% in a qualified business use (see instructions):													
25 Property used 50% or less in a qualified business use (see instructions):													
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26						
27 Add amounts in column (i). Enter the total here and on line 7, page 1							27						

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
28 Total business/investment miles driven during the year (Do not include commuting miles – see instructions)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons.

35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See instructions		
Note: If your answer to 35, 36, 37, 38, or 39 is 'Yes,' you need not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code Section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1999 tax year:					
41 Amortization of costs that began before 1999				41	4,030.
42 Total. Enter here and on 'Other Deductions' or 'Other Expenses' line of your return				42	4,030.

Form 1120, Page 1, Line 26

Other Deductions Statement

DUES & SUBSCRIPTIONS	8,081.
BROCHURES & PRINTING	28,272.
AUTO EXPENSES	18,205.
BAD DEBTS	92,564.
BANK CHARGES/ CREDIT CARD CHARGES	4,317.
ADP SERVICE CHARGE	2,865.
COMPUTER SUPPLIES	2,009.
EDUCATION & TRAINING	18,213.
EMPLOYEE BENEFITS PROGRAM	24,670.
EQUIPMENT OPERATING LEASES	159,075.
CONSULTING EXPENSE	135,548.
INSURANCE	95,169.
PROFESSIONAL FEES	232,815.
OUTSIDE SERVICES	38,369.
OFFICE EXPENSE	85,206.
POSTAGE	17,207.
SUPPLIES	27,713.
LOCAL TRAVEL	5,452.
TELEPHONE	190,228.
TRAVEL	34,609.
UTILITIES	5,917.
Amortization	4,030.
LICENSES	3,207.
Meals and entertainment (50%)	54,587.
TRADE SHOW COSTS	29,400.
USE TAX	1,335.
Total	<u>1,319,063.</u>

Form 1120, Page 2, Sch A, Line 5

Other Costs Statement

TELEPHONE SERVICE CARRIER COSTS	2,697,641.
COMMISSIONS	503,390.
INSTALLATION FEES/COSTS	18,099.
BILLING SERVICE COSTS	77,049.
CUSTOMER EQUIPMENT COSTS	346,540.
INTERNET SERVICE & DATA COSTS	695,639.
Total	<u>4,338,358.</u>

Form 1120, Page 4, Schedule L, Line 6

Ln 6 Stmt

Other Current Assets:	Beginning of tax year	End of tax year
PREPAID INTEREST		43,458.
Total		<u>43,458.</u>

Form 1120, Page 4, Schedule L, Line 14

Ln 14 Stmt

Other Assets:	Beginning of tax year	End of tax year
SECURITY DEPOSITS	108,049.	192,703.
PREPAID INTEREST		43,867.
OTHER RECEIVABLE		49,400.
Total	<u>108,049.</u>	<u>285,970.</u>

Form 1120, Page 4, Schedule L, Line 18

Ln 18 Stmt

Other Current Liabilities:	Beginning of tax year	End of tax year
SALES TAX/ EXCISE TAX PAYABLE	148,059.	144,050.
PAYROLL TAXES PAYABLE	3,548.	47,542.
ACCRUED STATE TAXES	6,143.	0.
DEFERED REVENUE	0.	235,000.
CONVERTIBLE DEBT		539,120.
Total	<u>157,750.</u>	<u>965,712.</u>

Form 1120, Sch K, Corporation Ownership Information

Ques 5 Stmt

Name	ID No.
JOSEPH GILLETTE	191-60-5409

Form 1120, Page 4, Schedule M-1, Line 5

Ln 5 Stmt

PENALTIES	542.
ALLOWANCE FOR BAD DEBT	179,000.
Total	<u>179,542.</u>

EXHIBIT B

EUREKA BROADBAND CORPORATION

CONSOLIDATED USF CALCULATIONS

2001-2003

Period	State/Federal USF Billed 403(a)	Interstate 403(d)	International 403(e)	Local 404(a)	LD/International 414(a)	Interstate 414(d)	International 414(e)	Private Line 415(a)	Interstate 415(d)	Other Revenue 418	Gross Revenue	USF Billed Subject to USF	Interstate Subject to USF	International Subject to USF
January-01	\$ 10,608.86	\$ 7,835.59	\$ 2,773.27	\$ 219,335.01	\$ 181,425.70	\$ 127,722.04	\$ 45,205.04	\$ -	\$ -	\$ 643,691.70	\$ 1,044,452.41	\$ 10,608.86	\$ 127,722.04	\$ 45,205.04
February-01	\$ 13,363.56	\$ 9,910.09	\$ 3,453.47	\$ 267,431.52	\$ 195,338.17	\$ 131,811.53	\$ 54,297.31	\$ 30,000.00	\$ 24,000.00	\$ 780,713.74	\$ 1,273,483.43	\$ 13,363.56	\$ 155,811.53	\$ 54,297.31
March-01	\$ 17,178.08	\$ 12,677.03	\$ 4,501.05	\$ 393,698.76	\$ 255,471.32	\$ 169,768.08	\$ 71,638.96	\$ 40,000.00	\$ 32,000.00	\$ 1,185,585.93	\$ 1,874,756.02	\$ 17,178.08	\$ 201,768.08	\$ 71,638.96
April-01	\$ 16,469.91	\$ 12,401.68	\$ 4,068.23	\$ 440,329.47	\$ 236,111.51	\$ 155,529.09	\$ 66,765.45	\$ 60,000.00	\$ 48,000.00	\$ 1,360,366.01	\$ 2,096,806.99	\$ 16,469.91	\$ 203,529.09	\$ 66,765.45
May-01	\$ 13,668.52	\$ 10,682.61	\$ 2,985.91	\$ 506,495.35	\$ 192,309.59	\$ 128,265.23	\$ 51,504.23	\$ 70,000.00	\$ 56,000.00	\$ 1,643,077.68	\$ 2,411,882.61	\$ 13,668.52	\$ 184,265.23	\$ 51,504.23
June-01	\$ 14,286.44	\$ 11,164.28	\$ 3,122.16	\$ 421,364.17	\$ 196,590.41	\$ 128,627.62	\$ 53,869.44	\$ 80,000.00	\$ 64,000.00	\$ 1,308,541.47	\$ 2,006,496.06	\$ 14,286.44	\$ 192,627.62	\$ 53,869.44
July-01	\$ 14,616.21	\$ 12,030.99	\$ 2,585.22	\$ 435,115.68	\$ 193,040.75	\$ 129,942.71	\$ 48,705.47	\$ 120,901.05	\$ 96,720.84	\$ 1,322,921.96	\$ 2,071,979.44	\$ 14,616.21	\$ 226,663.55	\$ 48,705.47
August-01	\$ 16,023.47	\$ 13,549.75	\$ 2,473.72	\$ 464,722.14	\$ 208,204.84	\$ 141,418.46	\$ 50,778.79	\$ 170,901.05	\$ 136,720.84	\$ 1,369,134.54	\$ 2,212,962.58	\$ 16,023.47	\$ 278,139.31	\$ 50,778.79
September-01	\$ 11,597.77	\$ 10,251.14	\$ 1,346.63	\$ 420,204.70	\$ 139,632.06	\$ 92,930.58	\$ 35,422.40	\$ 220,901.05	\$ 176,720.84	\$ 1,220,236.96	\$ 2,000,974.78	\$ 11,597.77	\$ 269,651.42	\$ 35,422.40
October-01	\$ 17,137.20	\$ 14,928.42	\$ 2,208.77	\$ 579,586.05	\$ 300,733.35	\$ 174,919.59	\$ 54,395.12	\$ 240,901.05	\$ 192,720.84	\$ 1,398,718.89	\$ 2,519,939.34	\$ 17,137.20	\$ 367,640.44	\$ 54,395.12
November-01	\$ 15,622.73	\$ 13,820.24	\$ 1,802.49	\$ 533,167.33	\$ 258,317.51	\$ 148,759.40	\$ 46,624.00	\$ 260,901.05	\$ 208,720.84	\$ 1,265,732.94	\$ 2,318,118.84	\$ 15,622.73	\$ 357,480.24	\$ 46,624.00
December-01	\$ 11,765.94	\$ 10,443.34	\$ 1,322.60	\$ 570,167.07	\$ 208,974.61	\$ 121,100.42	\$ 41,770.34	\$ 260,901.05	\$ 208,720.84	\$ 1,438,944.53	\$ 2,478,987.26	\$ 11,765.94	\$ 329,821.26	\$ 41,770.34
Total 2001	\$ 172,338.70	\$ 139,695.16	\$ 32,643.53	\$ 5,251,617.26	\$ 2,566,149.82	\$ 1,650,794.76	\$ 620,976.53	\$ 1,555,406.31	\$ 1,244,325.05	\$ 14,937,666.36	\$ 24,310,839.76	\$ 172,338.70	\$ 2,895,119.81	\$ 620,976.53
January-02	\$ 18,026.10	\$ 16,721.30	\$ 1,304.81	\$ 812,704.60	\$ 340,442.80	\$ 204,091.40	\$ 58,211.33	\$ 677,370.50	\$ 541,896.40	\$ 1,702,980.37	\$ 3,533,498.28	\$ 18,026.10	\$ 745,987.80	\$ 58,211.33
February-02	\$ 15,556.06	\$ 13,987.40	\$ 1,568.66	\$ 521,495.36	\$ 293,272.86	\$ 173,379.01	\$ 51,403.93	\$ 356,222.65	\$ 284,978.12	\$ 1,096,380.26	\$ 2,267,371.13	\$ 15,556.06	\$ 458,357.13	\$ 51,403.93
March-02	\$ 11,370.05	\$ 10,102.88	\$ 1,267.17	\$ 368,597.74	\$ 214,191.46	\$ 123,852.60	\$ 35,744.01	\$ 201,408.39	\$ 161,126.71	\$ 818,401.28	\$ 1,602,598.86	\$ 11,370.05	\$ 284,979.31	\$ 35,744.01
April-02	\$ 19,482.56	\$ 17,410.90	\$ 2,071.66	\$ 575,585.50	\$ 302,934.00	\$ 192,092.83	\$ 58,698.46	\$ 376,535.67	\$ 301,228.54	\$ 1,247,490.48	\$ 2,502,545.64	\$ 19,482.56	\$ 493,321.37	\$ 58,698.46
May-02	\$ 19,366.40	\$ 17,110.28	\$ 2,256.12	\$ 549,650.03	\$ 295,973.68	\$ 187,725.05	\$ 62,470.01	\$ 357,554.39	\$ 286,043.51	\$ 1,186,604.66	\$ 2,389,782.76	\$ 19,366.40	\$ 473,768.56	\$ 62,470.01
June-02	\$ 16,423.07	\$ 14,738.70	\$ 1,684.37	\$ 526,574.73	\$ 261,763.50	\$ 161,675.92	\$ 50,905.03	\$ 354,697.69	\$ 283,758.15	\$ 1,146,419.44	\$ 2,289,455.36	\$ 16,423.07	\$ 445,434.07	\$ 50,905.03
July-02	\$ 12,127.44	\$ 10,969.81	\$ 1,157.63	\$ 492,806.27	\$ 195,219.27	\$ 113,396.90	\$ 40,612.66	\$ 339,314.20	\$ 271,451.36	\$ 1,115,296.22	\$ 2,142,635.97	\$ 12,127.44	\$ 384,848.26	\$ 40,612.66
August-02	\$ 17,800.61	\$ 15,683.12	\$ 2,117.49	\$ 571,481.72	\$ 272,097.09	\$ 175,961.35	\$ 56,675.03	\$ 304,750.91	\$ 243,800.73	\$ 1,336,373.42	\$ 2,484,703.14	\$ 17,800.61	\$ 419,762.08	\$ 56,675.03
September-02	\$ 17,497.90	\$ 15,489.17	\$ 2,008.73	\$ 567,508.01	\$ 268,963.76	\$ 173,315.15	\$ 55,361.99	\$ 316,970.77	\$ 253,576.62	\$ 1,313,983.60	\$ 2,467,426.14	\$ 17,497.90	\$ 426,891.76	\$ 55,361.99
October-02	\$ 19,453.48	\$ 16,970.96	\$ 2,482.52	\$ 557,604.73	\$ 301,696.37	\$ 191,353.52	\$ 65,150.46	\$ 317,532.59	\$ 254,026.07	\$ 1,247,534.70	\$ 2,424,368.39	\$ 19,453.48	\$ 445,379.59	\$ 65,150.46
November-02	\$ 16,191.31	\$ 14,416.86	\$ 1,774.45	\$ 534,126.83	\$ 250,773.08	\$ 167,077.47	\$ 51,078.26	\$ 309,895.64	\$ 247,916.51	\$ 1,227,495.00	\$ 2,322,290.55	\$ 16,191.31	\$ 414,993.99	\$ 51,078.26
December-02	\$ 14,298.30	\$ 12,863.31	\$ 1,434.98	\$ 461,923.65	\$ 215,234.89	\$ 141,937.94	\$ 42,163.91	\$ 295,028.67	\$ 236,022.94	\$ 1,036,176.47	\$ 2,008,363.68	\$ 14,298.30	\$ 377,960.87	\$ 42,163.91
Total 2002	\$ 197,593.29	\$ 176,464.69	\$ 21,128.60	\$ 6,540,059.18	\$ 3,212,562.76	\$ 2,005,859.13	\$ 628,475.06	\$ 4,207,282.08	\$ 3,365,825.66	\$ 14,475,135.90	\$ 28,435,039.91	\$ 197,593.29	\$ 5,371,684.80	\$ 628,475.06
January-03	\$ 14,134.91	\$ 12,944.62	\$ 1,190.29	\$ 520,432.05	\$ 224,952.46	\$ 145,216.32	\$ 41,693.63	\$ 385,260.90	\$ 308,208.72	\$ 1,132,102.63	\$ 2,262,748.05	\$ 14,134.91	\$ 453,425.04	\$ 41,693.63
February-03	\$ 12,473.29	\$ 11,485.39	\$ 987.90	\$ 465,782.77	\$ 195,231.25	\$ 121,542.46	\$ 37,136.39	\$ 387,760.51	\$ 310,208.41	\$ 976,367.93	\$ 2,025,142.46	\$ 12,473.29	\$ 431,750.87	\$ 37,136.39
March-03	\$ 26,542.84	\$ 23,264.69	\$ 3,278.15	\$ 580,130.28	\$ 394,207.62	\$ 277,209.06	\$ 81,797.30	\$ 379,122.78	\$ 303,298.22	\$ 1,168,844.87	\$ 2,522,305.55	\$ 26,542.84	\$ 580,507.29	\$ 81,797.30
April-03	\$ 8,897.30	\$ 8,264.44	\$ 632.86	\$ 522,546.40	\$ 147,989.69	\$ 80,365.78	\$ 29,342.68	\$ 378,517.80	\$ 302,814.24	\$ 1,222,886.99	\$ 2,271,940.88	\$ 8,897.30	\$ 383,180.02	\$ 29,342.68
May-03	\$ 53,375.97	\$ 45,892.49	\$ 7,483.48	\$ 556,231.60	\$ 312,384.37	\$ 186,550.41	\$ 82,094.86	\$ 385,201.95	\$ 316,897.15	\$ 1,166,167.84	\$ 2,419,985.76	\$ 53,375.97	\$ 503,447.56	\$ 82,094.86
June-03	\$ 54,890.62	\$ 48,808.66	\$ 6,081.96	\$ 635,262.14	\$ 373,002.65	\$ 249,595.98	\$ 66,717.94	\$ 392,870.81	\$ 285,825.97	\$ 1,395,330.68	\$ 2,796,466.28	\$ 54,890.62	\$ 535,421.95	\$ 66,717.94
July-03	\$ 44,537.50	\$ 39,688.03	\$ 4,849.47	\$ 719,063.39	\$ 298,260.30	\$ 169,190.53	\$ 50,911.12	\$ 396,411.86	\$ 247,465.82	\$ 1,254,393.43	\$ 2,668,128.98	\$ 44,537.50	\$ 416,656.35	\$ 50,911.12
August-03	\$ 56,940.04	\$ 53,919.17	\$ 3,020.87	\$ 433,141.85	\$ 246,725.37	\$ 151,398.29	\$ 31,732.91	\$ 439,122.61	\$ 414,999.54	\$ 1,199,527.40	\$ 2,318,517.23	\$ 56,940.04	\$ 566,397.83	\$ 31,732.91
September-03	\$ 65,889.63	\$ 60,676.06	\$ 5,213.57	\$ 563,234.31	\$ 293,342.86	\$ 179,386.33	\$ 54,761.13	\$ 415,108.79	\$ 457,928.75	\$ 1,304,417.39	\$ 2,576,103.35	\$ 65,889.63	\$ 637,315.08	\$ 54,761.13
October-03	\$ 64,566.88	\$ 53,999.05	\$ 10,567.83	\$ 586,592.15	\$ 349,189.21	\$ 170,261.67	\$ 114,596.06	\$ 351,319.28	\$ 415,296.73	\$ 1,345,709.42	\$ 2,632,810.06	\$ 64,566.88	\$ 585,558.40	\$ 114,596.06
November-03	\$ 46,449.35	\$ 40,965.07	\$ 5,484.28	\$ 555,598.07	\$ 249,976.21	\$ 147,548.07	\$ 59,427.34	\$ 318,814.33	\$ 296,346.87	\$ 1,251,555.14	\$ 2,375,943.75	\$ 46,449.35	\$ 443,894.94	\$ 59,427.34
December-03	\$ 58,320.76	\$ 53,038.53	\$ 5,282.23	\$ 568,911.89	\$ 268,825.33	\$ 160,270.40	\$ 57,266.87	\$ 364,037.64	\$ 414,742.73	\$ 1,355,828.17	\$ 2,557,603.03	\$ 58,320.76	\$ 575,013.13	\$ 57,266.87
Total 2003	\$ 507,019.09	\$ 452,946.21	\$ 54,072.88	\$ 6,706,926.90	\$ 3,354,087.32	\$ 2,038,535.31	\$ 707,478.23	\$ 4,593,549.26	\$ 4,074,033.15	\$ 14,773,131.90	\$ 29,427,695.38	\$ 507,019.09	\$ 6,112,568.46	\$ 707,478.23

2001	64.3%	24.2%
2002	62.4%	19.6%
2003	60.8%	21.1%
*Average	62.5%	21.6%